

California Department of Corporations

Online Filing System

Frequently Asked Questions

revised 10/22/07

General

- 1. Can I file using the paper form if I am a sole practitioner? I use my Social Security Number for tax purposes and cannot obtain a Federal Employer Identification Number (FEIN) or Federal Taxpayer Identification Number (FTIN).**

Yes, you may file your notice using the paper form. This issue is addressed by question 8 on the revised 25102(f) paper form.

- 2. Where do I obtain my Federal Employer Identification Number (FEIN) or Federal Taxpayer Identification Number (FTIN)?**

You can obtain an FEIN or FTIN from the Internal Revenue Service (IRS) by visiting their website at <http://www.irs.gov>.

- 3. Why can't I file a notice online when I am outside of the USA?**

To ensure system security and prevent viruses, the Department of Corporations will not allow users from website addresses outside of the USA to access the online filing system. This would be considered a "Hardship Exception" for the 25102(f) notice and a paper notice should be filed.

- 4. What do I do if I forgot my password and the system does not recognize my User ID when I try to retrieve it?**

The User ID and Password fields are case-sensitive. For security reasons, the Department of Corporations cannot provide your password as we do not have access to this information. If you cannot retrieve your password you may call the Consumer Services Office at 1-866-275-2677 to have it reset. When you call, please have available the first and last name of the contact person for the account and the answer to the hint question which was set during the creation of the account.

5. I accidentally filed two notices for the same issuer. How do I cancel one of the filings and obtain a refund?

You must send the Department of Corporations a letter indicating the error and request a refund of the filing fee. Include in the letter the name of the Issuer, the Credit Card Transaction ID Number (found in the Accounting Report), the name of the person or company to whom the check should be payable, and mailing information where you would like the refund sent. We will void the filing and issue the refund within 2 to 3 weeks.

6. How do I sign the electronic notice?

You do not need to sign the electronic notice. By agreeing to a declaration at the end of the notice, you represent that you have the authority to file on behalf of the issuer. However, the issuer or issuer's representative must print, sign, and date the notice and maintain it on file for 5 years.

DO NOT MAIL THE PRINTED DOCUMENT TO THE DEPARTMENT OF CORPORATIONS.

7. How do I notarize the Consent for Service of Process?

Notarizing the Consent for Service of Process is no longer necessary if filing electronically. By agreeing to a declaration at the end of the notice, you agree to appoint the California Corporations Commissioner to receive process on behalf of the issuer.

8. What do I do if I cannot print the notice or it did not print correctly?

The user can access the notice on our website approximately three business days after submission. On the right [remove –hand] side of the home page (<http://www.corp.ca.gov/>) you will find a link titled **Access to Securities & Franchise Filings ("Cal-EASI")**. Search this system for your notice then print, sign, and date it and maintain it in your files for 5 years.

Issuer Representatives Only

9. How do I add other users as Staff?

The manager must provide the Profile Name and PIN to paralegals, staff persons, or others who will be filing notices using the credit card information stored in the manager account. The staff will then access the online filing system as new users, select Issuer's Representative, then select Staff. They must then enter their names and phone numbers and create individual User IDs and Passwords.

10. What do I do when I receive an error message stating "We are experiencing technical difficulties?"

There is information missing from the Consent to Service of Process in the Client's account profile. To resolve this issue, select the Edit/Delete Client link from the left side of the screen. Locate the client in the client list and select Edit. Scroll down to the section that addresses Service of Process and reset your preference then save the information. Click the link titled "Search Clients," then select the client for which you wish to file and continue with the filing process.

11. I am a manager and tried to delete the staff/paralegal account, but the account cannot be deleted from my list.

The staff account contains one or more pending filings. The manager can click on the number located in the Pending Filings column for that staff person. This will provide the manager limited access to that staff person's account so the manager can choose to complete or delete the pending filing(s). This must be done either by the staff person or manager before the staff profile can be deleted.

After deleting a staff profile, in order to maintain security of your account, the manager should change the profile name and/or the PIN number and provide this information to all active staff people under their account.

25102(f) Limited Offering Exemption Notice

- 12. If I have availed myself of the SEC exemption to electronic filing under Regulation S-T, do I automatically qualify for an exception in California? Do I still have to explain the hardship?**

Not necessarily, because the federal and state exemptions from electronic filing are not identical and any exceptions must be claimed under both laws. Therefore, a filer must complete the hardship information in Item 8 of the 25102(f) notice form, by checking the appropriate box and providing appropriate explanations as described in the form instructions.

- 13. Where is the online form to file the 25102(f)?**

There is not a form that can be completed and printed online. A filer must first create a "profile" account; once this is created, the filer will log in with the User ID and Password that was chosen and create the electronic notice.

- 14. Will my notice be rejected if it is determined that the reason(s) for my hardship are not acceptable?**

Currently, no notice will be rejected based on the reasons given for claiming the hardship exception.

- 15. I am not sure how to answer the section titled Federal Exemption or Filing Under Securities Act of 1933.**

If sales of securities will be limited to purchasers within California, there is likely no requirement to file anything with the Securities and Exchange Commission (SEC) and the answer would be "none." If you are unsure, questions regarding federal securities requirements should be directed to the SEC, which is a U.S. federal government agency. You may reach them at 1-800-732-0330 or online at <http://www.sec.gov>.

- 16. I am issuing stock to myself and some family members and friends. It is not being sold. How do I determine a dollar value for it so that I can file a 25102(f) notice?**

Stock issued by a California corporation cannot be "gifted." Shares may be issued for such consideration as is determined from time to time by the board, or by the shareholders if the articles so provide (see Corporations Code Section 409). When a par value is required and none has been assigned, a minimum value of at least one dollar (\$1) per share shall be applied (Corporations Code Section 205).

17. I just completed a 25102(f) filing and found an error. What do I do to correct the notice?

Submit a letter identifying the error(s) and indicating the correct information. If the error concerns the offering amount and the corrected amount requires an increase of the fee, a check or money order for the additional amount must accompany the letter. Include a clear reference in the letter to the Credit Card Transaction number found in the Accounting Report for that particular filing. If the error and correction changes the issuer's place of organization from CA to another state, the letter of correction must include a notarized Consent to Service of Process if one is not already on file with the Department of Corporations.